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## FISCAL ISSUE BRIEF



### Federal COVID-19 Funding

Jobs and Economic Growth, Energy and Utilities,  
and Commerce and Consumer Protection

*Senate Counsel, Research, and Fiscal Analysis*

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The federal government responded to the COVID-19 pandemic by enacting a series of laws that provide funding to states for a variety of purposes. As of June 30, 2020, four laws were enacted.

- P.L. 116-123 Coronavirus Preparedness and Response Supplemental Appropriations Act
- P.L. 116-127 Families First Coronavirus Response Act
- P.L. 116-136 Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
- P.L. 116-139 Paycheck Protection Program and Health Care Enhancement Act

The provisions in the Jobs and Economic Growth, Energy and Utilities, and Commerce and Consumer Protection budget jurisdictions provided funding to state agencies, businesses, and individuals. Table 1 lists the enacted provisions and the amounts allocated to recipients in Minnesota. For amounts received by the state, Table 1 indicates whether, as of June 30, 2020, the Legislative Advisory Commission approved the funding and the date of approval. A summary of the enacted provisions follows Table 1, including the recipients, the purposes of the funding and any restrictions, and the length of time the funding is available.

**Table 1: Federal COVID-19 Funding for Jobs and Economic Growth, Energy and Utilities, and Commerce and Consumer Protection**  
(Dollars in Thousands)

Law	Federal Awards with State Allocation Estimates	Amount	LAC Approved
116-136	Low Income Home Energy Assistance Program (LIHEAP)	8,998	N/A
116-127	Unemployment Insurance Administration	19,626	N/A
116-136	Short-Time Compensation Administration	1,958	N/A
116-136	Paycheck Protection Program	11,027,540	N/A
116-127	Economic Injury Disaster Loans	781,624	N/A

## **Summary of Federal COVID-19 Funding for Jobs and Economic Growth, Energy and Utilities, and Commerce and Consumer Protection Programs**

**Low Income Home Energy Assistance Program (LIHEAP).** Congress approved additional funding for the existing Low Income Home Energy Assistance Program to help prevent, prepare for, or respond to home energy needs surrounding the national emergency created by the COVID-19.

**Unemployment Insurance Administration.** Additional funding was provided to states for administration of additional unemployment insurance benefits. The funds shall be used to review applications, offer technical assistance to applicants, and satisfy additional reporting requirements.

**Short Time Compensation Administration.** Funding was provided to states for expanding short term compensation (also known as “work sharing” or “shared work”) grant programs, enabling employers to reduce layoffs in exchange for reduced unemployment insurance benefit payments. Funding was provided to promote short time compensation programs, enroll additional employers, and improve administration.

**Paycheck Protection Program.** The Paycheck Protection Program (PPP) provides loans to businesses for the purpose of retaining payroll employees during the pandemic. Funds are loaned directly to businesses by the United States Small Business Administration and the United States Treasury, at an interest rate of 1 percent, maturing in either two or five years. The loans are forgivable provided that the employer satisfies certain criteria, such as maintaining or quickly rehiring employees during a specified period.

**Economic Injury Disaster Loans.** Funding was provided for the United States Small Business Administration to award loans to businesses and nonprofits experiencing revenue loss due to COVID-19. Loan amounts were calculated formulaically, with \$1,000 available for each employee, up to a maximum of \$10,000 per business or nonprofit.

This Fiscal Issue Brief reflects public information for federal COVID-19 funding that was available in early June 2020. Federal agencies continue to provide information and allocation amounts for enacted funding programs. For the most current information for any of the provisions discussed in this Fiscal Issue Brief, please contact Casey Muhm ([casey.muhm@senate.mn](mailto:casey.muhm@senate.mn) 651-296-2500).